


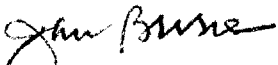
STATE OF HAWAII


DEPARTMENT OF HAWAIIAN HOME LANDS

SEPTEMBER 14, 2009

To: Chairman and Members, Hawaiian Homes Commission

From: Robert Hall, Executive Assistant   
Office of the Chairman

Darrell Yagodich, Planning Program Manager  
Planning Office 

Gigi Cairel, Planner  
Planning Office 

Subject: Native Hawaiian Development Program Plan  
2009 - 2011

Recommended Motion/Action

That the Commission:

- a. Approves the proposed FY 2009 - 2011 Native Hawaiian Development Program Plan (NHDPP), included as Exhibit "A" herein; and
- b. Approves the Kūlia i ka Nu'u - Strive for Excellence Program as outlined and contained in the NHDPP.

Discussion

Pursuant to Title 10 Administrative Rules, Chapter 6.1, the Department of Hawaiian Home Lands (DHHL) prepares a Native Hawaiian Development Program Plan (NHDPP) every two years for Commission review and approval. The 2009 - 2011 proposed NHDPP is the sixth biennium plan. The purpose of the NHDPP is to "increase the self-sufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities." This is achieved through a variety of planning, consultation, educational, technical assistance, and resource allocation measures.

The proposed FY 2009 - 2011 NHDPP was subjected to the DHHL Beneficiary Consultation policy. Changes to the NHDPP for FY 2009 - 2011 include the following:

- Individual development: addition of a new scholarship sponsored by Chaminade University
- Beneficiary Consultation: topics for 2009 - 2011 include Sale of Leases; Successorship; native Hawaiian Qualification; Commercial/Industrial Development; Affordable Housing
- Community Development: new program - Kūlia i ka Nu'u (Kūlia)

The Kūlia program is intended to assist homestead communities to achieve economic self-sufficiency and sustainability. The purpose of the Kūlia program is to empower homestead communities and build capacity (in terms of governance, leadership, strategic planning, financing) for future betterment of the homestead communities. The program provides a formal and comprehensive structure for the Department's homestead community development activities outlined in the NHDPP - (1) grants, (2) provision of Hawaiian home lands for community and economic development purposes, (3) training and technical assistance, and (4) an annual leaders conference. These activities were approved by the Commission at the November 18, 2008 meeting.

The Kūlia program concept was discussed at length at the August 2, 2008 quarterly Leadership Meeting and at the DHHL Leaders Conference on September 27 - 28, 2008. The Conference was well attended by over 140 beneficiaries, representing 33 homestead associations, 3 undivided interest communities, and Hui Kako'o. Further detail about the program was discussed at the April 25, 2009 quarterly Leaders Meeting on Oahu. Revisions were made based on comments from that meeting with the Leaders. Then the revised program was presented to the Commission at a workshop on July 20, 2009 on Maui.

#### Summary of Consultation Process and Beneficiary Comments and Responses

The entire version of the proposed FY 2009 - 2011 NHDPP was made available on the Department website for public comment on July 29, 2009. A total of eight (8) Beneficiary

Consultation meetings were held statewide from July 27, 2009 to August 5, 2009. The meetings were attended by a total of 166 beneficiaries. A brochure outlining the major provisions in the NHDPP was distributed to beneficiaries along with the meeting schedule. Over 21,000 brochures were direct mailed to beneficiaries. Beneficiaries were also provided the opportunity to submit written comments by completing and returning the written survey form or by sending electronic mail. The Department received 188 completed surveys; and four (4) comments via e-mail; and letter correspondence from Waimea Hawaiian Homesteaders Association. Public comment period ended September 3, 2009. Four (4) additional comments were received after September 3, including letter correspondence from Hui Kako'o 'Aina Ho'opulapula.

This section reports summary comments from Exhibit B, which provides a complete "Record of Comments" received from the following sources:

- a. Meeting notes which identify beneficiary comments received at each of the eight (8) Beneficiary Consultation meetings that were conducted statewide between July 27, 2009 and August 5, 2009;
- b. Survey results which identify beneficiary responses to a short survey that was included as part of the Consultation Meeting Notification Brochure sent to all beneficiaries; and
- c. Electronic mail and written correspondence from beneficiaries who chose to comment on the proposed FY 2009 - 2011 NHDPP that was briefly described and outlined in the Consultation Meeting Notification Brochure

The majority of the comments were supportive of the proposed NHDPP as well as the Kūlia program, in particular. Major comments received were in the following areas.

- Kūlia program eligibility
- Role for applicants
- Role for Sovereign Councils of the Hawaiian Homelands Assembly (SCHHA) and Hui Kako'o 'Aina Ho'opulapula (Hui Kako'o)
- Homestead association membership and member dues

- Partnering with the Department on managing trust assets
- Kūlia program implementation

The table below identifies the key questions/comments raised by beneficiaries in their review of the NHDPP and the Kūlia program. It also identifies staff responses and recommendations.

Key Questions, Comments, Responses and Recommendations

	<b>BENEFICIARY COMMENT</b>	<b>STAFF RESPONSE</b>
1	Who is this (Kūlia) program for?	<p>Homestead associations with defined geographic boundaries and at the grassroots level that choose to participate in Kūlia are the primary audience.</p> <p>Kūlia is a place-based community building and community development program. Therefore, it stands to reason that homestead communities in a defined geographic area are the primary audience.</p> <p>Other beneficiary organizations such as SCHHA, Hui Kak'o, Na Kupa'a, and beneficiary project-specific organizations may participate in the following components of Kūlia: Project Implementation Grants and trainings.</p> <p>Other beneficiary organizations may partner and participate with homestead associations on</p>

		<p>projects involving Hawaiian home land awards, Regional Plan Priority Project Grants and Community Economic Development Grants.</p> <p><b>Recommend: Staff recommends to add language to the Kūlia program to clarify Kūlia program eligibility by component.</b></p>
2	If a homestead association chooses not to participate in Kūlia, what DHHL resources are available?	<p>Our hope is that all homestead associations choose to participate in Kūlia. For those that choose not to, available resources are (a) Outreach Grants; and (b) training, including Leaders Conference</p> <p><b>No further action needed</b></p>
3	Are the SCHHA and Hui Kako'o eligible to participate (in Kūlia)?	<p>Kūlia is primarily a place-based, community building program. Through Kūlia, it is the Department's intent to strengthen homestead board governance and to help homestead associations prepare for future responsibilities in managing trust assets (land and money). The Department recognizes that some homestead associations currently manage land and multiple projects. The Department's intent is to work with the associations closely to identify and address training needs.</p> <p>The "stages of growth" component of Kūlia is</p>

	<p>targeted for the homestead associations.</p> <p>The SCHHA and Hui Kako'o are both statewide beneficiary entities. They hold a unique status with the Department. Their organizational focus and needs are different from the grassroots homestead associations.</p> <p>Both SCHHA and Hui Kako'o currently receive an annual non-competitive administrative grant that no homestead associations are eligible for.</p> <p>Under the Kūlia program, statewide beneficiary organizations would be eligible for:</p> <ul style="list-style-type: none"> <li>a. Training, including the Leaders Conference</li> <li>b. Project Implementation grants</li> </ul> <p>Under Kūlia, Regional Plan Priority Project Grants, Economic Development Grants, and Hawaiian home lands are intended for community-based organizations. The SCCHA and Hui may participate and collaborate with homestead associations in Regional Plan and Economic Development projects.</p> <p><b><i>Recommend: Staff recommends that SCCHA and Hui Kako'o be notified of the Regional Plan process to provide them an</i></b></p>
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		<b><i>opportunity to participate in the process and provide input in future developments and projects</i></b>
4	Kūlia appears to be intended for only homestead associations. What about a role for applicants?	<p>Kūlia is primarily a placed-based, community building and community development program. It stands to reason, therefore, that current homestead communities are the primary audience. Given this, there are ways where applicants may participate.</p> <ul style="list-style-type: none"> <li>a) engage discussion with the homesteads by participating in their meetings and activities</li> <li>b) participate in the Regional Plan process for input in future developments and priority projects</li> <li>c) collaborate with the homesteads on joint projects</li> <li>d) at least one homestead association is willing to open a board seat to represent applicants</li> </ul> <p><b><i>No further action needed</i></b></p>
5	<p>To be a recognized homestead association, our board must be democratically elected by lessees - one vote per lessee</p> <p>What about applicants and successors who also reside in the homestead?</p>	<p>The Kūlia program calls for democratically elected boards and eligible voters are lessees.</p> <p><b><i>Recommend: Staff recommends to expand voter eligibility to include applicants and successors who reside in the homestead.</i></b></p> <p><b><i>The Department's challenge</i></b></p>

		<p>with this recommendation is logistical, nevertheless, staff is recommending this.</p> <p>(a) Information regarding applicants and successors is confidential, so it will be difficult for the Department to verify if a voter is an applicant or successor residing in a given homestead.</p> <p>(b) In regards to successors, a lessee may change successors at any time and at any frequency, so again this would be difficult for the Department to verify.</p> <p>Associations will be responsible for verifying voter eligibility. Department assistance may include conducting the first mailout for elections or providing address labels of lessees. The Association will ultimately be responsible for tracking its members and their contact information in the long term.</p> <p>One option for Associations to consider is to require all voters to self-certify their status as a homestead resident and as an HHCA beneficiary (lessee, applicant, successor) at election time.</p>
6	<p>You showed a model of a CDC. Is a CDC required?</p> <p>Is a 501c3 required? Is</p>	<p>There are many different legal entities that can be formed to serve a community</p>

	<p>it the best structure?</p>	<p>purpose; to hold property; to manage a business. You and your community choose which legal structure is best. Legal structure is based on your community's vision, mission and purpose - function before form.</p> <p>Note: a CDC is a generic term that is used by many types of community organizations - nonprofit housing developers; economic development organizations; training and intermediary nonprofits. "CDC" is not a legal term used by the state DCCA nor by the IRS.</p> <p>501c3 - Proposals for Land, Regional Plan Priority Project Grants and Community Economic Development Grants must be submitted by a 501c3 nonprofit corporation. A fiscal sponsor may be used. The Department is not requiring the grassroots Homestead Association itself to hold 501c3 status</p> <p><b><i>Recommend: Staff recommends adding clarifying language in the NHDPP</i></b></p>
7	<p>The board members of our Community Development Corporation (CDC) are not voted in by lessees</p> <p>However, our board members are board members of the grassroots</p>	<p>Yes. The CDC and the homestead associations must demonstrate collaboration (clear lines of communication, all parties are engaged and participatory in decision making) and connectedness</p>

	<p>homestead associations AND the work of our CDC is directed from these homesteads. We do not do anything without the consent of the homesteads.</p> <p>Is our CDC eligible to participate?</p>	<p>to the homestead community.</p> <p>The CDC may be eligible for the following Kūlia program components:</p> <ul style="list-style-type: none"> <li>(a) Training</li> <li>(b) Project Implementation Grants</li> <li>(c) The CDC may serve as the applicant for Regional Plan Priority Project Grants, Economic Development grants and land awards on behalf of the homestead communities.</li> </ul> <p><b>No further action needed.</b></p>
8	<p>Our association has been in existence for many years. We welcome all residents, whether they are lessees or not, to become members. Is the Department requiring us to change our membership?</p>	<p>The Kūlia program does not directly address membership eligibility of the Associations. Similar to any other community-based organization, Homestead Association membership is defined by the Association, not by the Department.</p> <p>In order for the Association to be eligible for certain DHHL resources and to be recognized as the representative voice of the homestead community, Associations must have a democratically elected board. As discussed above, eligible voters are homestead lessees. Therefore, at a minimum, Association membership must include lessees. An Association may choose to include other types of members - applicants, successors, general public,</p>

		<p>government officials, school officials, community service organizations, etc.</p> <p><b><i>No further action is needed</i></b></p>
9	Many Associations charge members dues if we want to vote.	<p>The Department will offer an Outreach Grant to assist Associations to engage the community. This grant will be based on number of lessees. This should relieve an Association from charging a members fee to vote.</p> <p><b><i>No further action is needed</i></b></p>
10	If we choose to participate, submit all the required documents and attend all the trainings, will we receive \$250,000 and land?	<p>Possibly. An organization interested in the \$250,000 grant for economic development and land must submit a proposal to the Department. Awards will be made to the most qualified proposal. The Department is not prescribing any one formula for associations to follow. Each association is unique and has differing stages of growth, skills and expertise.</p> <p><b><i>No further action is needed</i></b></p>
11	\$250,000 is not enough. After 2011, what happens after the 20 regions get their \$250k (total \$5 million)?	<p>This is start up capital. The Department is providing an investment towards building self sustainable communities. The purpose of providing seed monies, land and training is to provide the initial resources for a successful project.</p> <p>This is a rare opportunity</p>

		<p>where an agency is providing BOTH funding and land for projects.</p> <p><b>No further action needed</b></p>
12	Define DHHL-Associatioon partnership for land management. How are we partners? Once land is provided to the community, why does the Department still need to be a partner at Ka 'Ohi stage?	<p>DHHL provides the land (asset) and both parties will negotiate the terms. The Commission cannot totally relinquish its fiduciary responsibility because HHC is obligated to protect the trust.</p> <p><b>No further action is needed</b></p>
13	Has DHHL considered allowing applicants to form an association?	<p>Yes. An organization for applicants already exists - Hui Kako'o.</p> <p><b>No further action is needed</b></p>
14	Any current Associations have gone through this (stages of growth and have land and funding)?	<p>Yes. There are homesteads that have land, have built and managed a community facility and/or have business plans for a business venture - Nānākuli, Waimānalo, Kapolei, Papakōlea.</p> <p><b>No further action is needed</b></p>
15	Include Association staff time as an allowable expense under DHHL grants	<p>Department grant funds may be used to support Association staff time in proportion to the amount of staff time to carryout the project.</p> <p><b>Recommend: The Department will review and research this and add clarifying language to grant program guidelines.</b></p>

Recommendation

The Commission's approval of the recommended motions is respectfully requested.